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## FISCAL IMPACT REPORT

SPONSOR Coll DATE TYPED 02-07-04 HB 504

SHORT TITLE Create Public School Reform Reserve SB \_\_\_\_\_

ANALYST Segura

### APPROPRIATION

| Appropriation Contained |            | Estimated Additional Impact |  | Recurring or Non-Rec | Fund Affected                |
|-------------------------|------------|-----------------------------|--|----------------------|------------------------------|
| FY06                    | FY07       | FY08                        |  |                      |                              |
| \$40,000.0              | \$40,000.0 | \$40,000.0                  |  | Recurring            | Public School Reform Reserve |
|                         |            |                             |  |                      |                              |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Response Received From

New Mexico Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 504 creates the “public school reform reserve” in the general fund for use in implementing provisions of the 2003 public school reform legislation and the federal No Child Left Behind Act of 2001.

#### Significant Issues

The act creates a public school reform reserve in the general fund and makes an appropriation of \$40 million from the public school reform reserve to the state equalization guarantee distribution in each of fiscal years 2006, 2007, 2008 for public school reform programs.

The priority use of the reserve will be to provide minimum salaries required by the three-tiered licensure system for teachers and school administrators.

**FISCAL IMPLICATIONS**

House Bill 504 is companion to HAFC substitute for HB 2,3,4,5,6, 8 and 177. The bill provides a distribution of \$120,000.0 to the public school reform reserve and is recurring. In FY09, the final phase of the tax cut is reflected and revenues are expected to grow.

**ADMINISTRATIVE IMPLICATIONS**

It would require that the PED ensure the funds are used for public school reform programs only, and do not supplant general fund supported public school programs.

Relates to House Bill 286.

**OTHER SUBSTANTIVE ISSUES**

House Appropriations and Finance Committee Substitute for House Bills 2,3,4,5,6,8, and 177 includes contingency language on the passage of House Bill 504.

**RS/lg:dm**